VZCZCXYZ0005
OO RUEHWEB

DE RUEHUNV #0053/01 0371533
ZNY SSSSS ZZH
O 061533Z FEB 09
FM USMISSION UNVIE VIENNA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8991
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 0793
RUEHRL/AMEMBASSY BERLIN PRIORITY 0759
RUEHBY/AMEMBASSY CANBERRA PRIORITY 0637
RUEHLO/AMEMBASSY LONDON PRIORITY 1098
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0845
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0625
RUEHFR/AMEMBASSY PARIS PRIORITY 0951
RUEHKO/AMEMBASSY TOKYO PRIORITY 0644
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0145
RUCNDT/USMISSION USUN NEW YORK PRIORITY 1482
RUEHBS/USEU BRUSSELS PRIORITY

S E C R E T UNVIE VIENNA 000053

SIPDIS

DEPT FOR ISN/MNSA AND IO/T

E.O. 12958: DECL: 02/05/2019
TAGS: PARM PREL AORC IAEA KNNP IR SY
SUBJECT: IAEA/MARCH BOARD: LIKE-MINDED PERSPECTIVES ON IRAN AND SYRIA

REF: UNVIE 50

Classified By: Charge d'Affaires Geoffrey R. Pyatt for reasons 1.4 b, c and d

Summary and Comment

¶1. (S) At an Australian-hosted meeting February 4, like-minded Ambassadors (EU3, U.S., Canada, Japan, New Zealand) saw little prospect of a Board resolution on either Iran or Syria. No one is advocating a March Board resolution on Iran so long as Russia and China's stances remain unchanged. France reported that the EU3 3 PolDirs, in a meeting that morning, had reaffirmed the unity of the Six and that Russia and China shared the sense of urgency on the Iran file. Australia shared concerns about ElBaradei's recent comments to the press downplaying the Iran nuclear issue. No one expected any surprises in the DG's forthcoming report; Ambassador Schulte noted the reports had increasingly become an accountancy exercise monitoring proscribed uranium enrichment at Natanz. France distributed a chart demonstrating that Iran is approaching an accumulated production of enough LEU feed material that, if further enriched, would constitute Iran's first Significant Quantity of HEU, though the French timetable estimated that this milestone would not be reached for four months. The like-minded also agreed with France's suggestion of posing technical questions for the record in the Board meeting, and insisting (including via a vote if necessary) on public release of the DG report on Iran, as has become customary.

¶2. (S) The like-minded acknowledged the significant downside of pursuing a Syria resolution at the March Board, given pressure to condemn Israel and the likelihood that the Arab Group will seek to draw linkages to the Gaza DU issue (reftel) Like-minded Ambassadors questioned the utility and practicality of a Syria resolution at this juncture, though they regretted the Board's failure to respond to Syria's non-cooperation. Germany suggested reserving the option of a resolution until it becomes operationally necessary, such as a formal finding of noncompliance. While Syria presented a less urgent case of nonproliferation than Iran, the like-minded agreed that questions regarding the nature, scope and international linkages of the Syrian program needed to be addressed, and the IAEA's performance in this regard impinged on the credibility of Safeguards system. The like-minded

agreed on the need to re-focus the Syria investigation and to dispense with ancillary issues such as Israeli DU, a "gap" in satellite imagery, and the discredited comments of an IAEA inspector on the Syria case. (Comment: The opportunity and momentum for a Board resolution on Syria's non-cooperation upon the issuance of the DG's first report in November has passed, and is now complicated by the Gaza issue. End Comment.)

¶3. (C) The like-minded also discussed the Board Chair's handling of the Director General election process (septel) and the prospect of a Gaza debate at the March Board under the Safety Review agenda item (reftel). The U.S. further encouraged the like-minded to press for timely Board discussion of the International Nuclear Fuel Bank. The like-minded expressed serious reservations about the U.S. pledge to double the IAEA budget, rejecting any increase in their regular budget contributions in the near future (septel). End Summary.

Iran

¶4. (S) Australian Ambassador Shannon called a meeting of like-minded Board Ambassadors (EU3, U.S., Canada, Japan, New Zealand) February 4 to discuss common approaches to the March 2-6 Board of Governors meeting. Beginning with Iran, Shannon assessed that the factual situation was unchanged but that a Board resolution was unlikely and no one was advocating one. No one contradicted him, in that Russian and Chinese resistance to a Board resolution persisted. German Ambassador Luedeking suggested that the like-minded wait and

see the DG's report, but he too did not expect any surprises therein. The possibility of an E3 3 statement was not discussed, given the EU3 3 PolDirs meeting the same day. Germany agreed with Ambassador Schulte's suggestion that Vienna Missions can build from any common elements that emerge from that meeting. France also suggested that like-minded national statements in the Board include technical questions posed heretofore at the informal Technical Briefings, such as on Code 3.1 modified, so that the Secretariat's responses would become part of the official record of the Board meeting.

¶5. (S) Australia shared the general assessment that the forthcoming DG's report was unlikely to differ from previous ones except for more significant enrichment figures at Natanz. French Ambassador Deniau distributed a chart (emailed to Department) showing the increased rate of LEU production since January 2008. The French assessed that Iran, with approximately 1000 kg of LEU and a production rate of 100kg per month, was four months away from possessing enough LEU to serve as feed to re-enrich to obtain its first Significant Quantity (SQ) of HEU. France estimates that 1400kg of LEU feed would be necessary. Shannon commented that this was an impressive trend given the present enrichment capacity at Natanz. Ambassador Schulte noted that the one SQ line could be drawn lower, according to some experts, and expressed concern that DG reports had devolved into an accountancy exercise monitoring violations of UNSCR suspension requirements. Like-minded Missions expected release of the DG report the week before the Board. (Note: Mission has heard from within the Secretariat that they are seeking an earlier release. End Note.) France raised the concern that NAM/Arab delegations could block the customary public release of the DG report (requested by Canada in previous Board sessions), as they had successfully done with the last Syria report. Canada and Australia saw this as a bad precedent and supported calling a vote if there is any attempt to block release of the Iran report.

¶6. (S) France also provided an informal readout of EU3 3 PolDir discussions that morning and noted that the 3 3 agreed to support dialogue, reaffirm UNSCRs and urge cooperation with the IAEA. The meeting signaled the unity of the "Six" and a common sense of urgency shared by all, including China and Russia, on the status of Iran's program. France added

that Russia understood the "window of opportunity" presented by the new U.S. Administration's extended hand. Shannon noted that Iran's satellite launch also reinforced this sense of urgency in the public's mind.

7.(S) Ambassador Schulte contrasted the EU3 3's perspective with that of the DG. Faced with two blocked investigations on Iran and Syria, ElBaradei was inclined to do nothing but emphasize only dialogue and the need for a broader political settlement. This left Iran effectively off the hook. Ambassador Schulte argued that Iran's obligation to cooperate with the IAEA cannot be conditioned on extraneous factors, and that the DG should hear the message that the IAEA still had to do its job. He advised that overall U.S. policy on Iran was under review but referred to Secretary Clinton's statements on tough and direct diplomacy accompanied by consequences for noncompliance.

8.(C) Shannon questioned the motivation behind the DG's unhelpful comments of late in a series of press interview seeking to "un-hype" the Iran issue and prognosticating a timeline of a "couple of years" before Iran could contemplate weaponization. He also noted that the DG made no reference to UNSC resolutions. Ambassador Schulte recalled that the 2007 work plan had likewise played into Iran's strategy of taking the issue off the UN Security Council agenda. Secretariat officials, he reported, are seeing ElBaradei increasingly as "a part-time DG" as he assumes the self-appointed mantle of global statesman.

Syria

¶9. (S) Australia expected no movement on the Syria

investigation. Shannon did not have firm information on the conclusions of the sampling analysis at Al-Kibar but expected this to be covered in the DG's report. He questioned the utility and practicality of pursuing a resolution on Syria despite lobbying by the Israeli Ambassador, who couched it in terms of demonstrating the Board's potency. The Gaza debate presented a further tactical difficulty, Shannon speculated, which could spill over into a resolution under the Safety agenda item. He acknowledged the normal pattern of responding to inaction with a "scolding" resolution and that even discussion of a resolution could exert some helpful pressure. Shannon also did not rule out Syria taking some last minute action, following Iran's "gameplan," and reported that Board Chair Feroukhi was urging Syria to do "something," even to respond to the Israeli letter. (Comment: Talk of a Board resolution without follow-though also has the opposite effect of making the Board seem impotent. The Board Chair's reported intervention is not exactly helpful. End Comment.)

¶10. (S) Most of the like-minded saw a clear downside to attempting a Board resolution. Canadian Ambassador Gervais-Vidricaire reiterated the concern from the last Board meeting about pressure, especially in light of the DG's stance, to condemn Israel's unilateral use of force in any Board resolution. UK Ambassador Smith agreed that there would be a choice between accommodating such peripheral issues or seeing a resolution with exclusive focus on Syria adopted by a bare majority, if even that can be achieved. He questioned the utility of a "very nonconsensual" resolution. While he regretted the fact that the Board had gotten out of the "resolution habit," Luedeking also questioned whether the Board could get any mileage out of a resolution at this juncture. He recommended reserving the option of a resolution until there was an operational need such as a finding of noncompliance. Although the like-minded seemed resigned to not pursuing a resolution, they shared Germany's regret. New Zealand acknowledged that it make us look "farcical" to do nothing and suggested a half-way measure such as a choreographed Board Chair's Summary. However, Australia acknowledged that there was no real half-way house to a resolution, i.e. the Chair's Summary has no standing (Comment: Board Chair Feroukhi is also not likely to be receptive to our input. End Comment.)

¶11. (S) Ambassador Schulte was likewise cognizant of the limitations posed by a divided Board and unhelpful DG statements on Syria. The Ambassador noted that Syrian President Asad seemed all too comfortable with the prospect of sweeping the IAEA investigation under the rug. At some point, however, Syria's non-cooperation becomes unacceptable, Ambassador Schulte argued. Luedeking observed that this was the third Board meeting where Syria's non-cooperation was at risk of being swept under the carpet and that the term "unacceptable" had become empty. He asked whether the like-minded would deliver the usual harsh Board statements but then "sit on our hands" until the next Board, as had become the practice on Iran. Ambassador Schulte recalled that in the Iran case there had been several violations prior to the finding of non-compliance, which was based on reports of sustained non-cooperation. Australia suggested that the like-minded consider at what point the "markers" in the Syria case rise to the level of non-compliance. France also indicated that the EU was still working on a proposed INFCIRC to define non-compliance more explicitly and hoped for EU agreement on such parameters by mid-February.

¶12. (S) Somewhat reversing himself, Luedeking cautioned like-minded counterparts against setting a deadline on which we cannot deliver. In a sense, Israel had made its point, he noted. Syria had understood the point and raising it again now could be creating a problem where one no longer exists. France and Australia strongly disagreed. Shannon maintained that the integrity of the safeguards system was at stake, while France cited three reasons for not closing the Syria file: questions about the activities at Al-Kibar and more broadly, the nature and scope of the Syrian nuclear program, as well as international linkages, which the DG's last report had not addressed. Australia noted that these linkages indicated an illicit nuclear market still existed. While the

Syrian case may be less urgent than that of Iran, in terms of the immediate proliferation concern, Ambassador Schulte agreed that we cannot just allow it to be swept under the rug. He also noted other "levers" that can be used against Syria such as the EU Association Agreement.

¶13. (S) The like-minded further agreed on the need to dispense with the "red herrings" that threaten to divert the Syria investigation. Ambassador Schulte hoped that the DG report would put to rest the issue of Israeli DU being the source of the contamination and the "baffling" lack of commercial imagery, which ElBaradei had highlighted in the November Board. Australia also cited the unauthorized interview by Safeguards inspector Abushady as a potential problem. Ambassador Schulte noted that Abushady's analysis was incorrect and had been discredited by the Secretariat. Germany suggested that if anyone should raise Abushady's analysis in the Board meeting, the like-minded refer the question back to the Secretariat for comment. Luedeking further advised that the like-minded focus their demands on the need for access to the Al-Kibar debris. Shannon also suggested asking questions for the record at the Board meeting on the sampling analysis, as France had recommended doing on the Iran agenda item.

¶14. (C) Canada and France expressed some concern about whether the DG would issue a written report on Syria. (Comment: We have confirmed as of February 6 that the Secretariat is actively working on the report. The fact that Syria is a formal agenda item also presumes the issuance of a report. Except for the DPRK, verification agenda items are normally accompanied by a DG report. End Comment.)

DPRK

¶15. (C) Australia took note of the deteriorating situation in the DPRK, though Ambassador Shannon doubted that IAEA inspectors were at any risk. He attributed the DPRK's toughening stance to seeking a signal from the new U.S. Administration. Ambassador Schulte reaffirmed U.S. support

for the Six Party Process.
PYATT